

MALACAÑANG
M a n i l a

PRESIDENTIAL DECREE No. 757 July 31, 1975

**CREATING THE NATIONAL HOUSING AUTHORITY AND DISSOLVING THE
EXISTING HOUSING AGENCIES, DEFINING ITS POWERS AND FUNCTIONS,
PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES**

WHEREAS, the magnitude of the housing problem of the country has grown into such proportions that only a purposeful, determined, organized mass housing development program can meet the needs of Filipino families for decent dwellings;

WHEREAS, recognizing the urgency of this problem the new Constitution of the Philippines has provided in Article II, Section 7 that the "State shall establish, maintain, and ensure adequate social services in the field of . . . housing . . . to guarantee the enjoyment of the people of a decent standard living;

WHEREAS, the attainment of this objective is highly dependent on the conservation and rationalization of urban land use as the instrument of urban land reform as well as on our ability to regulate housing financing and construction costs to bring housing within the reach of the greater number of our people;

WHEREAS, government efforts in housing are now proliferated among various agencies and there is an urgent need to concentrate such efforts, resources, functions and activities in a national housing agency to maximize results;

WHEREAS, the effective implementation of housing programs will require the widest participation of the private sector in terms of capital expenditures, land, expertise, and other resources related to housing construction and land development;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me by the Constitution do hereby order and decree, as part of the law of the land, the following:

Section 1. *Housing Program.* Pursuant to the mandate of the New Constitution, there shall be developed a comprehensive and integrated housing program which shall embrace, among others, housing development and resettlement, sources and schemes of financing, and delineation of government and private sector participation. The program shall specify the priorities and targets in accordance with the integrated national human settlements plan prepared by the Human Settlements Commission.

In the preparation of said program, the following factors shall be considered:

- (a) The management of urban development to promote the economic and social well being and physical mobility of the people, and facilitate industrial growth and dispersal;
- (b) The conservation of land for housing development as well as the regulation of land use to achieve optimum utilization patterns;
- (c) The organization of public private resources into financial intermediaries to meet the demand for housing, including provisions for incentives and facilities to broaden the private sector participation in housing investments; and
- (d) The extensive use of building systems, which shall maximize the use of indigenous materials and reduce building costs without sacrificing sound engineering and environmental standards.

Section 2. *Creation of the National Housing Authority.* There is hereby created a government corporation to be known as the National Housing Authority, hereinafter referred to as the "Authority", to develop and implement the housing program above-mentioned. The Authority shall have its principal office in the Greater Manila area but may have such branch offices, agencies, or subsidiaries in other areas as it may deem proper and necessary. The Authority shall be under the Office of the President and shall exist for fifty (50) years but may be extended.

Section 3. *Purpose and Objectives.* The Authority shall have the following purposes and objectives:

- (a) To provide and maintain adequate housing for the greatest possible number of people;
- (b) To undertake housing, development, resettlement or other activities as would enhance the provision of housing to every Filipino;
- (c) To harness and promote private participation in housing ventures in terms of capital expenditures, land, expertise, financing and other facilities for the sustained growth of the housing industry.

Section 4. *Capitalization.* The Authority shall have an authorized capital of five hundred million pesos which shall be fully subscribed by the Republic of the Philippines and paid as follows:

- (a) The sum of fifty million pesos upon the approval of this Decree which is hereby appropriated out of the funds in the National Treasury not otherwise appropriated, five million pesos of which shall be released upon the organization of the Authority and the balances as and when needed;
- (b) The sum of fifty million pesos for every subsequent fiscal year for a period of nine years which must be included in the general appropriations act: Provided, That the assets and balances of appropriations transferred to the Authority pursuant to the provisions of Section 5, hereof, shall not be included in determining the capital of the Authority as provided in this Section.

Section 5. *Dissolution of Existing Housing Agencies.* The People's Homesite and Housing Corporation (PHHC), the Presidential Assistant on Housing Resettlement Agency (PAHRA), the Tondo Foreshore Development Authority (TFDA), the Central Institute for the Training and Relocation of Urban Squatters (CITRUS), the Presidential Committee for Housing and Urban Resettlement (PRECHUR), Sapang Palay Development Committee, Inter-Agency Task Force to Undertake the Relocation of Families in Barrio Nabacaan, Villanueva, Misamis Oriental and all other existing government housing and resettlement agencies, task forces and ad-hoc committees, are hereby dissolved. Their powers and functions, balance of appropriations, records, assets, rights, and choses in action, are transferred to, vested in, and assumed by the Authority: Provided, That an inventory and evaluation of the properties, equipment, assets, rights, choses in action, obligations and liabilities of the herein dissolved agencies shall be made by the Commission on Audit: Provided, Further, That all urban estates acquired by the Government, the Department of Agrarian Reform and the People's Homesite and Housing Corporation shall be transferred to the Authority which shall administer, develop and dispose such estates including the collection of accounts receivables therein, payment of liabilities thereon and the enforcement of choses in action pertaining to the same; Provided, Finally, That the transfers contemplated therein shall be on an estate-to-estate basis after the corresponding liquidation of such estate have been accomplished by the agency concerned in accordance with existing auditing and accounting rules and regulations.

The qualified and necessary personnel of the dissolved agencies may be transferred to and be absorbed by the Authority: Provided, That the Board of Directors of the Authority hereinafter provided, shall make personnel movement on the basis of merit and fitness in accordance with comprehensive and progressive merit system to be established by the Authority upon its organization.

The Authority, through its Board, shall effect the transfer herein provided in a manner that will insure the least disruption of on-going programs and projects: Provided, That in the period prior to the actual assumption of duties by the Board and its functioning as such, all officers and employees of the abolished agencies shall continue to exercise all their functions and discharge all their duties and responsibilities until ordered otherwise by the Board of the Authority.

The financial liabilities or obligations of the dissolved agencies shall be assumed by the National Government and, for the payment of such liabilities or obligations, bonds or securities may be issued by the government in such amounts sufficient to cover said liabilities or obligations, the proceeds of which are hereby appropriated for the purpose. Alternatively, said liabilities or obligations may be paid by direct appropriation which is hereby authorized in such amount as may be determined by the Commission on Audit.

Section 6. Powers and functions of the Authority. The Authority shall have the following powers and functions to be exercised by the Board in accordance with the established national human settlements plan prepared by the Human Settlements Commission:

- (a) Develop and implement the comprehensive and integrated housing program provided for in Section 1 hereof;
- (b) Formulate and enforce general and specific policies for housing development and resettlement;
- (c) Prescribe guidelines and standards for the reservation, conservation and utilization of public lands identified for housing and resettlement;
- (d) Exercise the right of eminent domain or acquire by purchase privately owned lands for purposes of housing development, resettlement and related services and facilities;
- (e) Develop and undertake housing development and/or resettlement projects through joint ventures or other arrangements with public and private entities;
- (f) Issue bonds or contract loans, credits, or indebtedness, including suppliers credit or any deferred payment arrangements with any person or entity, domestic or foreign, for the implementation of its housing programs;
- (g) Discharge all responsibilities of the government as may arise from treaties, agreements, and other commitments on housing and resettlement to which it is a signatory, including the determination of forms of assistance for housing development to be extended through multilateral or bilateral assistance programs;
- (h) Promote housing development by providing technical assistance;
- (i) Sue and be sued;
- (j) Adopt and use a seal which shall be judicially noticed;
- (k) Enter into contracts whenever necessary under such terms and conditions as it may deem proper and reasonable;
- (l) Acquire property rights and interests, and encumber or otherwise dispose the same as it may deem appropriate;
- (m) Invest its funds, as it may deem proper, in bonds and securities issued and guaranteed by the government or by the Central Bank of the Philippines;

(n) Receive donations, grants, and bequests and utilize the same for the attainment of its objectives. Such donations, grants and bequests shall be exempt from the payment of transfer taxes and be fully deductible from the gross income of the donor or grantor for income tax purposes;

(o) Adopt its by-laws to supplement this Decree:

(p) Prescribe and enforce guidelines, standards and rules in the manner provided for in such rules and regulations promulgated and adopted by the Authority designed to protect home and lot buyers through the regulation of the real estate trade and business;

(q) Regulate the relationship between owners and lessees of residential properties in conformity with such rules and regulations as may be promulgated and adopted by the Authority;

(r) Promulgate, adopt, amend and/or repeal such rules and regulations necessary to implement the intent and purposes of this Decree. Such rules and regulations shall be submitted to the President for his approval. Upon approval, the same shall have the force and effect of law and shall take effect immediately after their publication three times a week for two weeks in any newspaper of general circulation; and

(s) Perform such other acts not inconsistent with this Decree, as may be necessary to effect the policies and objectives herein declared.

Section 7. Board of Directors. The Authority shall be governed by a Board of Directors, hereinafter referred to as the Board, which shall be composed of the Secretary of Public Works, Transportation and Communications, the Director-General of the National Economic and Development Authority, the Secretary of Finance, the Secretary of Labor, the Secretary of Industry, the Executive Secretary and the General Manager of the Authority. From among the members, the President will appoint a chairman. The members of the Board may have their respective alternates who shall be the officials next in rank to them and whose acts shall be considered the acts of their principals with right to receive their benefits: Provided, That in the absence of the Chairman, the Board shall elect a temporary presiding officer.

The General Manager of the Authority who shall be appointed by the President shall serve on a full-time basis. He must possess managerial ability and must be a recognized authority on housing and/or related fields. He shall be the chief executive officer of the Authority and be entitled to receive a salary determined by the Board and approved by the President.

The Authority shall have an Assistant General Manager who is likewise to be appointed by the President and shall receive a salary determined in the same manner as that of the General Manager.

The members of the Board, excluding the General Manager, may receive per diems per meeting actually attended to be fixed by the Board but not to exceed one thousand pesos per month.

The Board shall meet regularly at least once a month but special meetings may be called either by the Chairman or by four members of the Board as and when necessary. Four members of the Board shall constitute a quorum and all decisions of the Board shall require the concurrence of at least four members.

Section 8. Powers and Duties of the Board. The Board shall have the following powers and duties:

(a) Formulate, prescribe, and promulgate the implementing rules and regulations required by this Decree;

(b) Act upon the annual budget and such supplemental budgets of the Authority submitted by the General Manager: Provided, That the Board may reduce but may not increase any item proposed by the General Manager;

(c) Approve the organizational structure of the Authority as well as its staffing pattern, the salaries of the personnel and their powers and duties submitted by the General Manager;

(d) Enter into such contract or agreement as may be necessary for the attainment of the purposes and objectives of this Decree;

(e) Render annual reports to the President and such special reports as may be requested; and

(f) Exercise all the powers necessary or incidental to the attainment of the purposes of this Decree.

Section 9. *Duties of the General Manager.* The General Manager, as Chief Executive Chief Officer of the Authority, shall have the following duties and responsibilities:

(a) To direct and supervise the operations and internal affairs of the Authority. The General Manager may delegate certain of his administrative responsibilities to other officers of the Authority, subject to the rules and regulations promulgated by the Board;

(b) To prepare the agenda for the meetings of the Board such policies and measures as he may believe necessary to carry out the purposes of this Decree;

(c) To execute, administer and implement the policies and measures approved by the Board;

(d) Subject to the approval of the Board, to fix the number and salaries of and appoint, the subordinate officers and personnel of the Authority and to remove, or otherwise discipline, for cause, any such officer or employee;

(e) To represent the Authority in all dealings with other officers, agencies, and instrumentalities of the Government and with all persons and entities, public or private, domestic or foreign;

(f) To act, in the conduct of the business of the Authority, on all matters that are not by this Decree specifically reserved to the Board; and;

(g) To exercise such other powers and perform such other duties as may be vested in him by the Board.

Section 10. *Organizational Structure of the Authority.* The Board shall determine the organizational structure of the Authority in such manner as would best carry out its powers and functions and attain the objectives of this Decree.

The General Manager shall, subject to the approval of the Board, determine and appoint the subordinate officers, other personnel, and consultants, if necessary, of the Authority: Provided, That the regular, professional and technical personnel of the Authority shall be exempt from the rules and regulations of the Wage and Position Classification Office and from the examination and/or eligibility requirement of the Civil Service Commission. Subject to the approval of the Board, the General Manager shall likewise determine the rates of allowances, honoraria and such other additional compensation which the authority is hereby authorized to grant to its officers, technical staff and consultants, including the necessary detailed personnel.

Section 11. *Home Financing Commission and National Housing Corporation.* To facilitate the attainment of the objectives and purposes of this Decree, the National Housing Commission, shall be attached to the National Housing Authority (NHA) for policy and program coordination.

Section 12. *Completed Projects: Management of Disposition.* The Authority shall determine, establish and maintain the most feasible and effective program for the management or disposition of specific housing or resettlement projects undertaken by the Authority. Unless otherwise decided by the Board, completed housing or resettlement projects shall be managed and administered by the Authority.

Section 13. *Issuance of Bonds.* Subject to the approval of the Secretary of Finance, after consultation with the Monetary Board of the Central Bank of the Philippines, the Authority is hereby authorized to issue bonds and other securities to finance the implementation of its housing programs: Provided, That only so much of such bonds or securities shall be issued and sold as the annual project implementation would require: Provided, further, That no bonds or securities shall be issued unless eighty per cent (80%) of those already issued had been sold: Provided, finally, That the total amount of the bonds or securities issued shall in no case exceed ten times its paid up capital and surplus.

The Authority, in consultation with the Secretary of finance and the Monetary Board, shall prescribe the form, the rate of interest, and denominations, maturities, negotiability, call or redemption features and all other terms and conditions of the bonds and securities to be issued.

In the promotion of the sale bonds or securities, the Authority is authorized to adopt the lottery scheme enunciated under Republic Act Numbered One Thousand as amended.

The bonds and securities issued under this Decree including the income thereof shall be exempt from all kinds of taxes and from attachment, execution and seizure which facts shall be stated on the face thereof.

A sinking fund shall be established by the Authority in such manner that the total annual contribution thereto, accrued at such rate of interest as may be determined by the Secretary of Finance in consultation with the Monetary Board, shall be sufficient to redeem at maturity the bonds or securities issued pursuant to this Decree. The sinking fund shall be under the custody and administration of the Central Bank of the Philippines which may invest the same in Central Bank Certificates of Indebtedness and similar financing schemes subject to the approval of the Authority in consultation with the Secretary of Finance: Provided, That the proceeds from such scheme shall accrue to the Authority.

Section 14. *Guarantee by the Government.* The Republic of the Philippines hereby guarantees the payment of both the principal and the interest of the bonds, debentures, collaterals, notes or such other obligations issued or incurred by the Authority by virtue of this Decree, and shall pay such principal and interest in case the Authority fails to do so. In such event, the Republic of the Philippines shall succeed to all the rights of the holders of such bonds, debentures, collaterals, notes or other instruments to the extent of the payment made, unless the sum so paid by the Republic of the Philippines shall be refunded by the Authority within a reasonable time.

Section 15. *Other SSS and GSIS Participation.* Notwithstanding any provision of the respective charters to the contrary, the Social Security System and the Government Service Insurance System shall absorb all or part of the bonds or securities issued by the Authority in such proportion as may be determined by the National Economic and Development Authority and approved by the President.

Upon the effectivity of this Decree, the Social Security System and the Government Service Insurance System shall cease undertaking mass or group housing, either by itself, joint venture, turn-key basis, or any other arrangement and, their lending operations for housing purposes shall be limited to direct lending to individual members only for their respective homes.

Section 16. *Gratuity.* Any personnel of the dissolved agencies who is not appointed to a position in the Authority for reasons not attributable to his conduct, or who elects to discontinue his service, shall be paid the money value of his accumulated vacation and sick leave and, if qualified to retire under existing laws, his retirement gratuities. Otherwise, he shall be paid one month salary for every year of service in the government. For this purpose the sum of ten million pesos is hereby appropriated out of the funds in the National Treasury not otherwise appropriated exclusively for the payment of the aforesaid separation and retirement gratuities and accumulated vacation and sick leaves.

Section 17. *Auditor.* The Commission on Audit shall be the Auditor of the Authority, and such personnel as may be necessary to assist said representative in the performance of his duties. The salaries of the Auditor and his staff shall be fixed by the Board and paid for by the Authority.

Section 18. *Rules and Regulations.* The Board shall promulgate the requisite rules and regulations for the effective implementation of this Decree and revise or amend the same as may be necessary.

Section 19. *Reports.* The Authority shall submit an annual report to the President indicating, among others, the housing program being implemented, the stage of implementation, and the financial position of the Authority. It shall likewise submit such periodic or other reports as may be required from time to time.

Section 20. *Applicability of the Corporation Law.* The provisions of the Corporation Law, in so far as they are not inconsistent with the provisions and policies provided in this Decree, shall be applicable to the Authority.

Section 21. *Repealing Clause.* Any provision of Law, decree, executive orders, ordinances, rules and regulations inconsistent herewith are hereby repealed, amended, or modified accordingly.

Section 22. *Separability Clause.* If for any reason any section or provision of this Decree is declared to be unconstitutional or invalid, the other sections or provisions hereof, which are not affected thereby shall continue in full force and effect.

Section 23. *Effectivity.* This Decree shall take effect immediately.

Done in the City of Manila, this 31st day of July, in the year of Our Lord nineteen hundred and seventy-five.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) ALEJANDRO MELCHOR
Executive Secretary